

1 COMMISSIONER WILHELM: David Jones?

2 (No response.)

3 COMMISSIONER WILHELM: Vincent 219?

4 (No response.)

5 COMMISSIONER WILHELM: Joe McKeever?

6 (No response.)

7 COMMISSIONER WILHELM: Steven Flynn?

8 (No response.)

9 COMMISSIONER WILHELM: Calvin Beal?

10 (No response.)

11 COMMISSIONER WILHELM: John Dicken?

12 (No response.)

13 COMMISSIONER WILHELM: Gail Romero?

14 (No response.)

15 COMMISSIONER WILHELM: Cindy Dore?

16 (No response.)

17 COMMISSIONER WILHELM: Rudy Cerone?

18 Mr. Cerone, thank you very much for coming.

19 MR. CERONE: Good afternoon, Mr. Chairman. I didn't
20 think your staff was going to notify us on the waiting list if we
21 were going to be called, and so I didn't bring my remarks with
22 me. I was going to submit them in writing, but I think I can
23 give you pretty quickly what my thoughts would be.

24 COMMISSIONER WILHELM: We appreciate your testifying
25 now and please feel free to send in your written testimony if you
26 have it or if you care to prepare it.

27 MR. CERONE: I will. Thank you, Mr. Chairman,
28 members.

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1 My name is Rudy Cerone. I'm an attorney with the law
2 firm of McGlinchey Stafford here in town; we're a large
3 commercial law firm. I'm in the business bankruptcy area, board
4 certified by the Louisiana State Bar Association as a business
5 bankruptcy lawyer.

6 I've also been involved in a number of casino
7 bankruptcies, both here in New Orleans and on the Gulf Coast, so
8 I want to make the Commission aware of the fact that not all
9 casinos succeed. They're business enterprises, just like any
10 other business enterprise: if the owners or investors make bad
11 decisions, the casinos really aren't going to succeed, and that
12 happened a number of times, both here in New Orleans and on the
13 Gulf Coast.

14 I'm also a member of what's called the Gaming
15 Insolvency Subcommittee of the American Bankruptcy Institute. We
16 actually have a group of lawyers who specialize and talk together
17 about casino bankruptcies. So it's not like every single casino
18 is a magic money maker just because it has gambling. They're
19 business enterprises like other business enterprises and they're
20 either going to succeed or fail on the wisdom of the investors
21 and the operators.

22 Also, I attended the meeting yesterday in Biloxi and
23 heard the remarks of Mr. McCormick, and I must respectfully
24 disagree with the analysis and the anecdotal evidence that he
25 used. Sure, there are going to be a number of consumers that may
26 or may not have gambling as related to a consumer bankruptcy, but
27 I can tell you, as being an active member of the American
28 Bankruptcy Institute and the immediate past chair of the

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1 Bankruptcy Section of the Louisiana State Bar Association, that
2 the increase in consumer bankruptcies has little or nothing to do
3 with gambling in the gross amount. It's mainly credit card
4 companies pushing their products on the consumers and the ease of
5 the bankruptcy laws allowing consumers an easy out. Those are
6 the two main factors for the great rise in bankruptcies, not only
7 here in Louisiana but across the country.

8 I have to respectfully disagree with what Mr. Perkins
9 also said that a new bankruptcy court wasn't built in Baton Rouge
10 to take care of the bankruptcies that were created by gambling.
11 It had nothing to do with that. They built a new courthouse and
12 they had an extra courtroom for the bankruptcy judge to go in.
13 So there really is very little, if any, as far as I can see,
14 connection between the precipitous rise in consumer bankruptcies
15 and gambling.

16 And I'll be glad to submit my written remarks.

17 COMMISSIONER WILHELM: I wish you would, Mr. Cerone.
18 We appreciate you being here, and as you saw, if you were there
19 yesterday, the subject of the relationship between bankruptcy and
20 gambling is of keen interest to the members of the Commission.

21 Mr. Cerone: And I didn't see anybody on the other
22 side, I didn't see any countervailing analysis or testimony. And
23 I don't know if the Commission has available a study that was
24 done for the American Gaming Association which is a very good
25 study, I've looked at it. I compared that with Mr. McCormick's
26 study and there's no comparison between the two, in my
27 estimation.

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1 COMMISSIONER WILHELM: We would appreciate your
2 written submission, and again, thank you very much.
3 MR. CERONE: Thank you.

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